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# CNNGA

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CLINTON-NEWBERRY NATURAL GAS AUTHORITY  
POST OFFICE BOX 511  
CLINTON, SOUTH CAROLINA  
29325-0511

June 20, 2021

**RECEIVED**

**JUN 24 2021**

**PSCSC  
Clerks Office**

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

Dear Ms. Boyd:

Governor Henry McMaster recently requested that the South Carolina Office of Regulatory Staff “undertake a comprehensive review of our state’s public and private power grid to evaluate its ability to withstand potential ice storms and other dangerous winter weather conditions.” On March 10, 2021, the Public Service Commission issued an Order that, among other things, encouraged the non-regulated natural gas authorities, among others, to participate in this process by providing the requested information.

This letter contains Clinton-Newberry Natural Gas Authority’s (CNNGA) response to the above request with information detailing the history of CNNGA, the identification of potential threats to the utility service, and the impact of potential threats to the utility service.

Clinton Newberry Natural Gas Authority owns and operates a natural gas distribution system (the “CNNGA System”) which commenced service in 1957 and served 13,069 customers as of September 30, 2019, in the CNNGA service area. CNNGA is the sole provider of natural gas in its service area. The CNNGA System consists of one purchase point connected to the natural gas mains of Transcontinental Gas Pipeline (Transco) and one purchase point connect to CGT, approximately 778 miles of 2 to 8-inch diameter mains, and approximately 17,242 service lines connecting 13,069 customer meters as of December 31, 2020.

Industrial interruptible sales are subject to curtailment which is generally precipitated by colder weather. Therefore, weather may have a significant impact on the ratio of firm sales to interruptible sales. As a last resort CNNGA could enact curtailment and reduce its daily demand by 5000 MMBTU per day.

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The following chart shows MMBtu sales since 2015.

Fiscal Year	Firm (MMBtu)	Interruptible (MMBtu)	Total
2015	1,077,895	1,444,972	2,522,867
2016	861,452	1,455,180	2,316,632
2017	851,457	1,654,041	2,505,498
2018	978,953	1,685,414	2,664,367
2019	956,033	1,557,352	2,513,385
2020	1,306,590	1,240,818	2,547,408

When our area experiences an electrical power outage, natural gas will continue to flow because the CNNGA System is not reliant on the power grid to maintain natural gas supplies. Natural gas transmission services in our area are provided by Williams Gas Pipeline and Carolina Gas Transmission Company. The Williams transmission line is bi-directional so we can receive supplies from the Appalachian Basins as well as the traditional wells in the Gulf of Mexico.

The natural gas supplies move along the transmission line by compressor stations. The compressor stations in South Carolina and Georgia have black start capability, meaning that they can operate independently of the power grid.

As with most gas distribution companies, the CNNGA system is reliable and resilient. Most of our facilities are underground and are not impacted by inclement weather. Moreover, power supplies required by the Authority's field stations are solar powered and have battery backup that will last several days. If power is out for an extended period, we can utilize portable generators or change batteries to ensure ongoing operational needs.

SCANA Energy Marketing Inc. (SEMI) acquires natural gas supplies for the full requirements of CNNGA and SEMI manages their transportation and storage capacity on interstate pipeline owned by Transco and CGT. SEMI provides all service necessary for the delivery of natural gas to CNNGA, including, but not limited to, arrangement of transportation, nominations, scheduling, balancing, confirmation, and storage. Annually, CNNGA purchases nearly 65% of its natural gas supply under short-term contracts (3 years) at a stabilized (Hedged) price based on supplier contracts. The additional 35% of CNNGA's natural gas supply is acquired under swing service contracts which utilizes first of month index pricing to establish gas cost. Additional price stability is obtained by the Authority by evaluating the daily gas demand and buying gas on the daily market to offset price fluctuations in the swing service. This offers CNNGA customers a reliable and cost-effective source of natural gas throughout the year.

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During peak demand, CNNGA has established a diversified gas storage portfolio that provides roughly a 10-day supply to help offset customer demand during these extreme conditions. The peak day modeled for CNNGA from January 2018 delivered 15,650 MCF/D which is well under the max capacity of 19,981 MCF/D available to the CNNGA system. If CNNGA were to need gas above their firm contracts, our supplier has a portfolio of firm assets themselves, that could be used for incremental purchases as needed. In SC, Transco is at its null point. Which means that gas is able to flow from the Northeast frack lands, as well as deep water, near shore, and on shore gulf gas. As mentioned earlier, if a weather event occurred in the north, our supplier would source the gas from the south, and vice versa. This mix of services is also very reliable, and during peak demand the Authority has not recognized any issues meeting its customers' requirements during extreme weather.

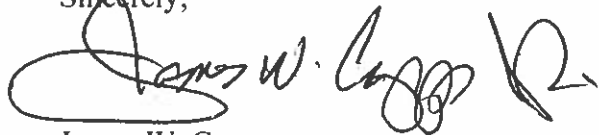
As with most Natural Gas Providers the biggest threat to the safety of our employees, customers and uninterrupted service is damage by third parties to our underground pipeline system during the excavation process. We are actively involved in SC811 and work with the agency to develop strategies to protect underground utility services.

CNNGA, its employees, and its system demonstrate how resilient natural gas authorities are in the face of inclement weather. We are continuously looking, evaluating, and adding to our local infrastructure to best serve our customers. The infrastructure of our individual gas system is the last and most important aspect of delivering gas to our customers. CNNGA continuously spends considerable time evaluating our infrastructure, capacity, and gas supply to prepare for severe weather events.

In addition to having reliable service, our rates are very competitive, but above all else, we put safety and reliability first. Our mission is to provide safe and reliable gas to our communities, and we will continue to successfully pursue this mission as we expand and improve our services.

On behalf of Clinton-Newberry Natural Gas Authority, thank you for the opportunity to provide comment responsive to your request. If you need any additional information, please do not hesitate to contact me.

Sincerely,



James W. Capps  
General Manager  
Clinton-Newberry Natural Gas Authority